

Arizona Department of Education (ADE)



Diane Douglas
Superintendent of Public Instruction

Appropriations Budget Hearing Fiscal Year 2019

About the Arizona Department of Education

The mission of the Arizona Department of Education is to serve Arizona's education community, ensuring every child has access to an excellent education.

A few quick facts about Arizona's K-12 education system:

- The Arizona Department of Education supports 15 county-level education agencies, more than 200 public school districts, over 400 charter holders, and 13 Joint Technological Education Districts
- More than 1.1 million students attend publicly funded K-12 schools in Arizona. Approximately 950,000 of those students attend one of more than 1,700 traditional public schools, with the remainder attending one of more than 500 charter schools in the state.
- Arizona is home to approximately 90,000 certified teachers, with 50,000 working in traditional K-12 schools and 10,000 in charter schools.



ADE Employee Breakdown

- 717 total employees (as of 01/31/2018)
 - 619 FTE positions
 - 171.9 state-funded FTE positions
 - 87.4 designated for admin/operations in FY 2018
 - 98 contractors



ADE Employee Information

- Average salary - \$57,646
- Percentage change in average salary compared to FY16 – 0.55% **decrease** (FY16 was \$57,964)
- Annual rate of employee turnover – 23.5%
- Percentage change in employee turnover compared to FY16 – 5.3% **increase** (FY16 was 18.2%)
- ADE does not currently have any performance or retention bonus programs



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Chief of Staff
Michael Bradley

Deputy
Superintendent
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Shari Zara

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Billie Belanger

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Management
Christy Ellison

Public Information
Officer
Stefan Swiat

Internal/External
Communications

Ombudsman

Federal/National
Relations

Development/
Standards
Britto Augustine

Legal / Hearings
Dan Schultz

Audit
Tammy Seilheimer

Homeless and
Refugee
Alexis Clermont

Social Media

Latino Action
Committee

State Government

Production
Services
Edward Block

Accounting/
Payroll
Selene Ramirez

Event Planning and
Administration

Education Action
Committees

Office of Indian
Education
Nadine Groenig

Empowerment
Scholarship
Account (ESA)
Lindsay Hudson

Program/Product
and Financial
Management
Lisa Blyler

Building
Operations
Mark Luzier

Zip Code Project
Chris Dickinson

Native American
Education Advisory
Council

Procurement
Steven Paulson

Budget
Vacant

- Deputy Superintendent
- Associate Superintendent
- Deputy Associate Superintendent
- Director

Pag



State Board
of Education

Executive Director
Alicia Williams

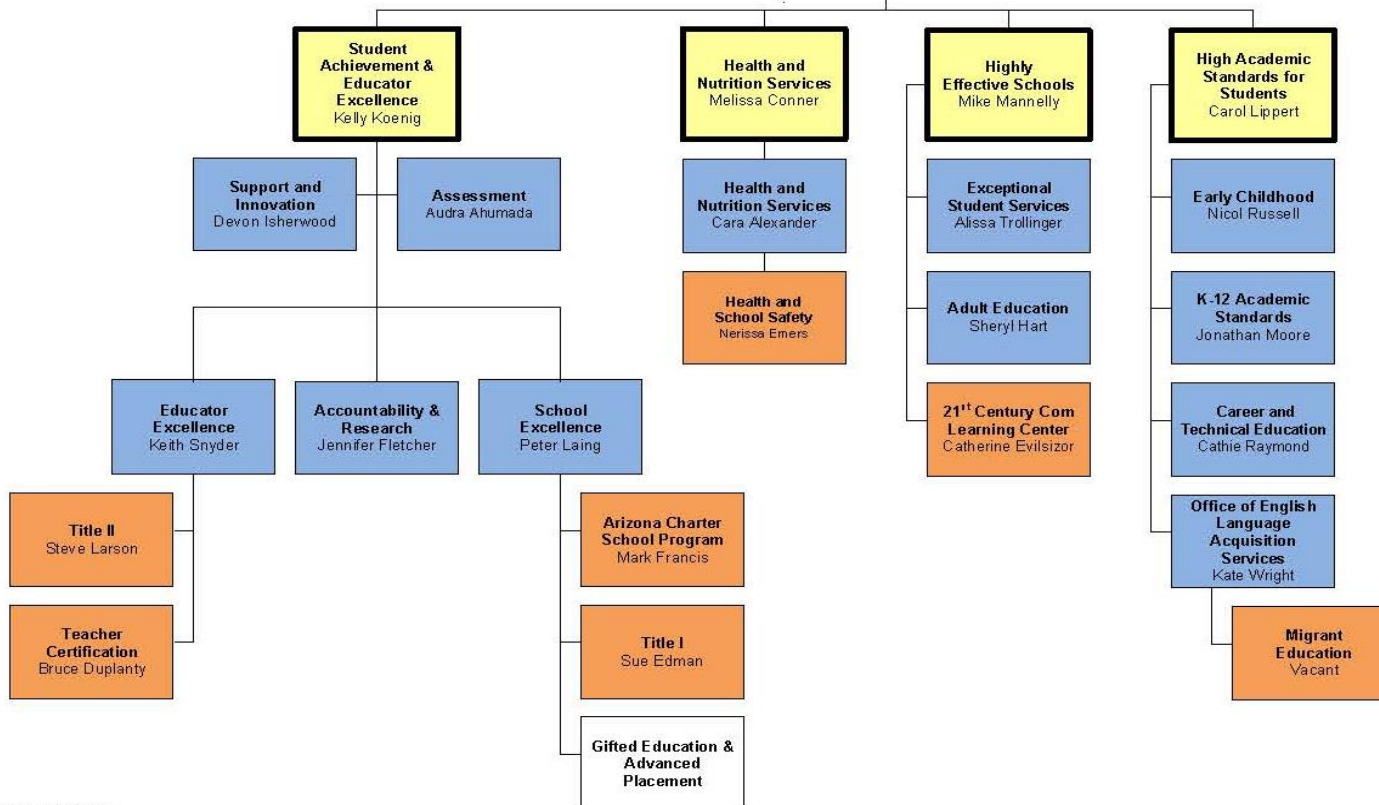
Executive Officer/Secretary/Member

Superintendent of Public Instruction
Diane Douglas

Member

State of Arizona
Education-related
Committees

Chief of Staff
Michael Bradley



Associate Superintendent

Deputy Associate Superintendent

Director



ADE Historical Budget

Operating Budgets	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 Exec.
Administration	10,514,400	10,160,400	8,279,300	7,591,300	7,571,000	8,261,000	8,263,900	8,239,400	8,905,100	8,956,800	8,660,600
# of FTEs Approp. (Admin)	114	114	97	97	86.4	90.9	90.9	92.9	102.1	87.4	70
Contract Employees				102	114	161	181	141	97	98	98
# of FTEs (total)	673	601	602	621	650	691	684	629	615	619	619
Total Employees				723	711	785	832	792	712	717	717
AELAS	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 Exec.
AELAS Fund				6,200,000	6,200,000	7,000,000	12,000,000	7,000,000	7,300,000	7,300,000	5,300,000
AELAS Employees (Contractors)						52.72	60.22	41.75	37	31	17.1
AELAS Employees (FTE)						5.8	16.5	20.95	20.95	24.5	24.5
Fund Sources (In Billions)	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 Exec.
General Fund	4,141,201,000	4,398,139,500	3,491,223,400	3,436,528,700	3,496,900,300	3,620,831,200	3,808,392,700	3,889,519,500	4,069,375,800	4,226,958,400	4,394,604,800
Other Appropriated Funds	54,793,500	55,944,300	55,776,200	56,959,300	57,167,700	56,035,200	77,836,100	56,977,100	233,394,800	254,458,700	290,094,800
Other Non-Approp. Funds	652,707,200	482,963,400	441,962,800	442,024,600	456,187,600	557,141,000	556,239,100	602,768,300	605,374,200	693,128,000	700,282,300
Federal Funds	889,375,400	1,171,850,500	1,070,165,500	987,897,800	1,199,433,400	1,074,084,800	1,074,288,800	1,074,395,900	1,175,376,900	1,159,279,200	1,158,886,800
Total Funds	5,738,077,100	6,108,897,700	5,059,127,900	4,923,410,400	5,209,689,000	5,308,092,200	5,516,756,700	5,623,660,800	6,083,521,700	6,333,824,300	6,543,868,700



Fiscal Year 2018 Funding Requests

- 1) \$5.3 million for Information Technology Maintenance and Support***
- 2) \$5 million for Information Technology Development Projects**
- 3) \$1.28 million for the K-12 Academic Standards Division***
- 4) \$4 million for increased costs associated with mandated statewide testing***
- 5) \$2.25 million for the A-F Letter Grades & School Report Cards**
- 6) \$350,000 for the Zip Code Project**
- 7) \$400,000 for the Office of Indian Education**

***Recommended in the Executive Budget**



ADE Technology Journey: Then & Now

- **THEN**

- ☐ LEAs could not submit data 50% of the time
- ☐ Processing took weeks and months
- ☐ Manual data uploads fraught with human error
- ☐ No standards for data submission

- **NOW**

- ☐ Daily processing gives LEAs estimated student counts right away
- ☐ Secure system-to-system data transfers for private student data
- ☐ Instantaneous data transmittals and 24/7 availability
- ☐ Accountable, auditable system

Budget Priority: Information Technology Projects

- \$5.3 million ongoing for maintenance and operations of the education information technology system.
- ADE does not currently receive any ongoing funds for this purpose.

***Recommended in the Executive Budget**



Budget Priority: Information Technology Projects

- **\$5 million for the development of critical education IT systems such as:**
 - **AzEDS (system to count and report students)**
 - **The 18-year-old school finance payment systems (APOR and CHAR) used to distribute billions of dollars to school districts and charter schools**
 - **The transition to Cloud First Strategy for safe, efficient and sustainable data processing, management and storage.**



Remaining AELAS Development Costs

	FY 2019	FY 2020	FY 2021	Total
AzEDS	\$1,700,000	\$3,500,000	0	\$5,200,000
School Finance	\$2,200,000	\$3,500,000	\$3,500,000	\$9,200,000
Cloud First Strategy Transition	\$1,100,000	\$0	\$0	\$1,100,000
Total	\$5,000,000	\$7,000,000	\$3,500,000	\$15,500,000

**** Estimated numbers if full funding is appropriated annually****

ADE Information Technology Systems

- ADE IT systems host over 100 active programs to support the work of Arizona's districts and charters.
- Important education programs include: Special Education, Career and Technical Education, Health and Nutrition, Assessment, Accountability, and School Finance.
- The total FY2019 request for Information Technology Projects is \$10.3 million.



WestED Reports: October 2017

“The FY2018 budget is still in non-recurring funds. The concern for sustained funding for the build out and maintenance funding for AELAS has been well documented in almost all preceding reports and continues to be a serious threat to the future of the system.”

“This repeating pattern was confirmed by interviews conducted during this October 2017 visit. In fact, every interview respondent, including the district participants, expressed extreme concern about the need for sustained funding for AELAS or it would fall into the same abyss that occurred with SAIS and other legacy systems.”

“...currently the ADE IT department is comprised of approximately 60 to 65% contractors and 35 to 40% full-time employees (FTEs). While this is an acceptable practice and percentage during periods of extensive new development work (such as ADE has just experienced), it is not a good and viable long-term staffing structure.”



Original spending plan for AELAS: Budget Request

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
AzEDS				\$3,052,554	\$2,900,000	\$3,800,000	\$2,750,000	\$1,700,000	\$3,500,000	\$17,702,554
ADEConnect					\$0	\$0	\$0	\$0	\$0	\$0
AZDash				\$3,870,555	\$2,750,000	\$500,000	\$1,250,000	\$0	\$0	\$8,370,555
SSIS				\$3,432,554	\$1,400,000	\$500,000	\$0	\$0	\$0	\$5,332,554
LMS				\$1,326,065	\$1,200,000	\$0	\$0	\$0	\$0	\$2,526,065
School Finance				\$899,433	\$2,750,000	\$2,500,000	\$3,500,000	\$2,200,000	\$3,500,000	\$15,349,433
Other				\$1,675,000	\$1,500,000	\$500,000	\$750,000	\$1,100,000	\$0	\$5,525,000
Maintenance/Support				\$2,200,000	\$3,000,000	\$3,675,000	\$5,100,000	\$5,300,000	\$5,300,000	\$24,575,000
Total	\$6,200,000	\$5,150,000	\$23,800,000	\$16,456,161	\$15,500,000	\$11,475,000	\$13,350,000	\$10,300,000	\$12,300,000	\$79,381,161

Actual spending/current projection to complete AELAS (assuming full funding in FY19 and beyond):

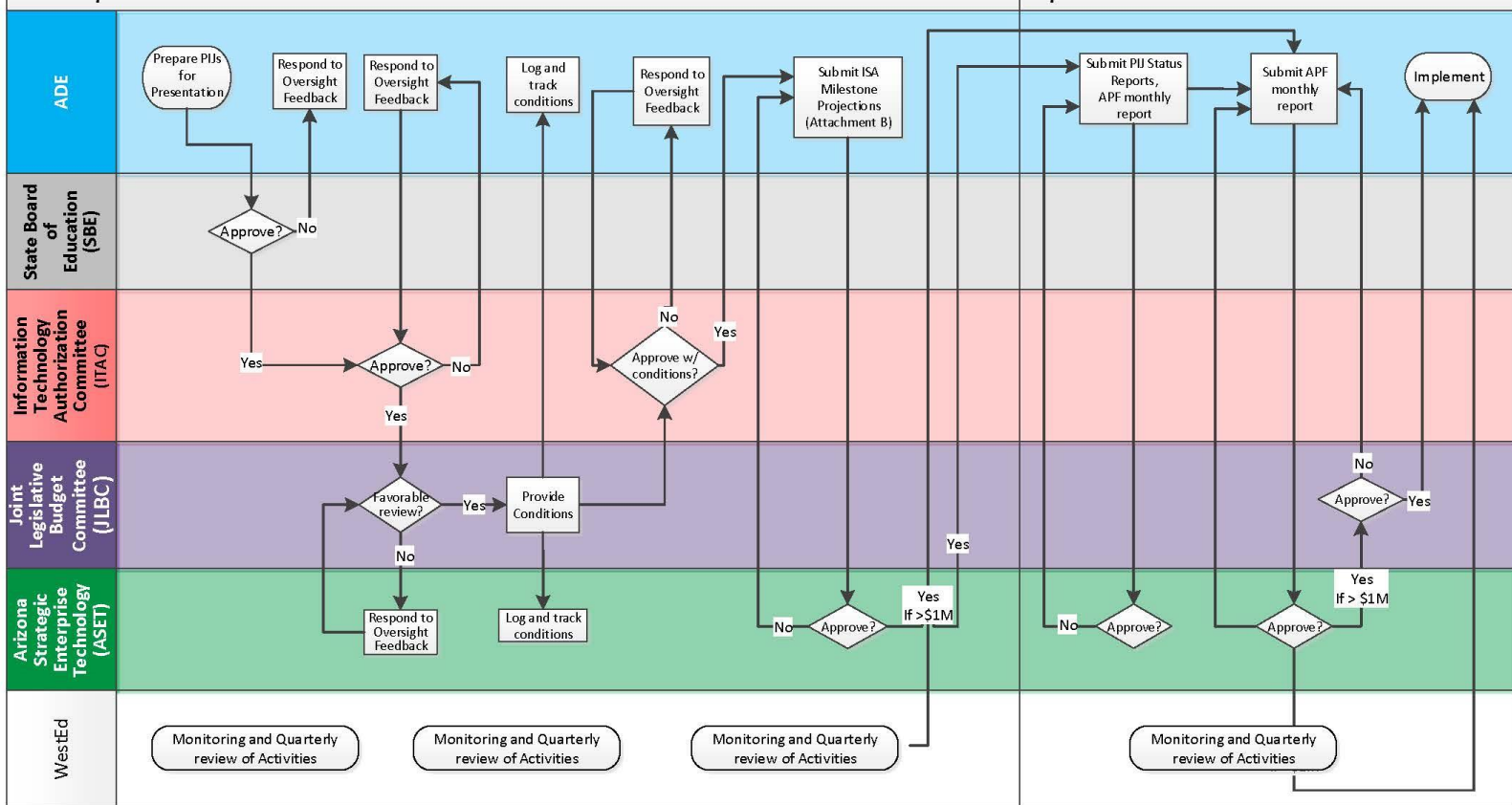
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
AzEDS	\$2,265,633	\$710,551	\$1,111,793	\$2,316,307	\$2,289,438	\$3,120,000	\$1,500,000	XXXXX	XXXXX	\$13,313,722
ADEConnect	\$557,447	\$1,282,133	\$672,728	\$291,705		\$274,492	\$0	\$0	\$0	\$3,078,505
AZDash	\$333,235	\$12,412	\$1,376,486	\$1,884,614		\$246,153	\$0	\$0	\$0	\$3,852,900
SSIS	\$0	\$49,964	\$179,746	\$808,782	\$942,586	\$190,311	\$0	\$0	\$0	\$2,171,389
LMS	\$0	\$267,499	\$522,043	\$611,982	\$78,621		\$0	\$0	\$0	\$1,480,145
School Finance	\$0	\$577,632	\$771,427	\$1,222,344	\$1,717,821	\$740,000	\$500,000	XXXXX	XXXXX	\$5,529,224
Other	\$662,231	\$2,082,664	\$1,249,001	\$2,650,473	\$847,051	\$559,294	\$0	\$0	\$0	\$8,050,714
Maintenance/Support	\$301,554	\$1,771,965	\$1,032,051	\$1,940,079	\$3,247,600	\$2,039,355	\$5,300,000	\$5,300,000	\$5,300,000	\$26,232,604
Total	\$4,120,100	\$6,754,820	\$6,915,275	\$11,726,286	\$9,123,117	\$7,169,605	\$7,300,000	\$5,300,000	\$5,300,000	\$63,709,203



AELAS Funding Approval Process

Before July 1

July 1



ADE January 2017



AELAS Staff Breakdown as of Jan. 2018

Row Labels	Average of Rate	Count of Name	Average of Annual Cost
Administration	\$34.75	4	\$72,280.00
Business Analyst	\$41.00	3	\$85,280.00
Developer	\$53.80	10	\$111,904.00
Management	\$77.25	4	\$160,680.00
Network/Operations	\$50.75	12	\$105,560.00
Project Manager	\$44.50	4	\$92,560.00
Quality Assurance	\$44.25	4	\$92,040.00
Support	\$28.38	8	\$59,020.00
Grand Total	\$46.94	49	\$97,632.65

**** Includes AELAS FTE and Contractors with 39% Average ERE and 35% Contractor Markup****

****Staff Breakdowns as of Jan. 2018****



Budget Priority:

Arizona Academic Standards

- **\$1.2 million in ongoing funds to manage revision, implementation and professional development of Arizona's academic standards.**
- **FY17 marked the end of the federal Race to the Top Grant, which previously funded this division.**
- **Without this funding, a workforce reduction will occur and the important functions of the Academic Standards Division will be discontinued.**
- **This will leave Arizona unable to develop and maintain its own standards and instead reliant on outside sources, the same situation that led to Common Core.**

***\$1.1M Recommended in the Executive Budget**



Budget Priority:

Mandated Statewide Testing

- **\$4 million for the increased costs associated with mandated statewide testing. ADE projects a \$1 to 4 million budget shortfall in FY2019 if funding is not allocated.**
- **Reasons for increased costs to statewide testing includes:**
 - **AzMERIT per-student costs are expected to increase.**
 - **New standards for English language arts, mathematics and science will require extensive field testing for realignment of the tests to the new standards.**
 - **Transition from paper-based to computer based testing yields one-time higher costs.**
 - **Adoption and implementation of the Menu of Assessments will require additional staffing, psychometric services and test security measures.**

***\$1 Million Recommended in the Executive Budget**



Budget Priority:

A-F Letter Grades & School Report Cards

- **\$950,000 to implement and administer the new state accountability system which increases programmatic responsibilities.**
- **\$1.3 million in to build the new school report card system to satisfy reporting requirements and allow for a more robust public-facing school report card that includes important information beyond just test results.**
- **The total FY2019 request for A-F Letter Grades and School Report Cards is \$2.25 million.**



Budget Priority:

Zip Code Project- Assisting Disconnected Youth

- **\$350,000 ongoing to address the growing statewide problems of high disconnected youth and dropout rates.**
- **Generate community-based solutions for youth between ages 16 and 24 who are neither working nor attending school.**
- **ADE developed a five year strategic plan to be present in every county of Arizona and serve at least 16 zip codes by 2022 if funding is allocated.**



Budget Priority: Office of Indian Education

- **\$400,000 to provide statutorily mandated assistance to Native American students.**
- **Native American student outcomes are among the lowest achieving by race/ethnicity.**
- **Additional support and resources are essential to increase academic achievement and preparation for college and workforce.**



Required Budget Request: Auto-Injectable Epinephrine

- **As a requirement of A.R.S. § 15-157, ADE requests \$900,000 to purchase two doses of adult and two doses of pediatric auto-injectable epinephrine for each of the 2,000 school sites in Arizona.**
- **A small portion of this funding will be utilized to develop model trainings for school personnel.**



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